

**2000 GENERAL ASSEMBLY**

**FB 2000-2002**

**CONFERENCE BUDGET REPORT ANALYSIS**

**C. EDUCATION**

**APRIL 14, 2000**

**2000 REGULAR SESSION**  
**FB 2000-2002**  
**CONFERENCE BUDGET REPORT ANALYSIS**

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch  
**Cabinet/Function:** Education

**Agency:** Summary  
**Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund Special	865,400	865,400	865,400						
General Fund	2,742,153,400	2,742,153,400	2,742,153,400	2,797,684,700	2,777,970,400	2,795,884,700	2,860,397,500	2,834,839,900	2,861,097,500
Restricted Funds	6,704,700	6,704,700	6,704,700	7,121,900	7,121,900	7,121,900	6,986,200	6,986,200	6,986,200
Federal Funds	426,071,500	426,071,500	426,071,500	465,026,400	465,026,400	465,026,400	475,988,800	475,988,800	475,988,800
<b>Regular Total Funds</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,269,833,000</b>	<b>3,250,118,700</b>	<b>3,268,033,000</b>	<b>3,343,372,500</b>	<b>3,317,814,900</b>	<b>3,344,072,500</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,269,833,000</b>	<b>3,250,118,700</b>	<b>3,268,033,000</b>	<b>3,343,372,500</b>	<b>3,317,814,900</b>	<b>3,344,072,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	52,146,400	52,146,400	52,146,400	58,861,600	57,871,600	58,811,600	61,673,900	59,893,900	61,473,900
Operating Expenses	13,889,500	13,889,500	13,889,500	16,484,600	15,994,600	16,434,600	16,361,100	15,606,100	16,146,100
Grants, Loans, Benefits	3,109,759,100	3,109,759,100	3,109,759,100	3,194,426,800	3,176,192,500	3,192,726,800	3,264,054,500	3,241,975,900	3,265,169,500
Debt Service							1,283,000	339,000	1,283,000
Capital Outlay	0	0	0	60,000	60,000	60,000			
<b>TOTAL EXPENDITURES</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,175,795,000</b>	<b>3,269,833,000</b>	<b>3,250,118,700</b>	<b>3,268,033,000</b>	<b>3,343,372,500</b>	<b>3,317,814,900</b>	<b>3,344,072,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	2,742,153,400	2,742,153,400	2,742,153,400	2,745,977,000	2,738,319,500	2,745,977,000	2,781,851,000	2,768,021,100	2,781,851,000
Restricted Funds	6,704,700	6,704,700	6,704,700	6,954,700	6,954,700	6,954,700	6,847,800	6,847,800	6,847,800
Federal Funds	426,071,500	426,071,500	426,071,500	465,026,400	465,026,400	465,026,400	475,988,800	475,988,800	475,988,800
<b>Regular Total Funds</b>	<b>3,174,929,600</b>	<b>3,174,929,600</b>	<b>3,174,929,600</b>	<b>3,217,958,100</b>	<b>3,210,300,600</b>	<b>3,217,958,100</b>	<b>3,264,687,600</b>	<b>3,250,857,700</b>	<b>3,264,687,600</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>3,174,929,600</b>	<b>3,174,929,600</b>	<b>3,174,929,600</b>	<b>3,217,958,100</b>	<b>3,210,300,600</b>	<b>3,217,958,100</b>	<b>3,264,687,600</b>	<b>3,250,857,700</b>	<b>3,264,687,600</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund Special	865,400	865,400	865,400						
General Fund				51,707,700	39,650,900	49,907,700	78,546,500	66,818,800	79,246,500
Restricted Funds				167,200	167,200	167,200	138,400	138,400	138,400
<b>TOTAL ADDITIONAL</b>	<b>865,400</b>	<b>865,400</b>	<b>865,400</b>	<b>51,874,900</b>	<b>39,818,100</b>	<b>50,074,900</b>	<b>78,684,900</b>	<b>66,957,200</b>	<b>79,384,900</b>

**Agency: Summary**  
**Appropriation Unit:**

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				8,122,000	3,222,000	8,122,000			
Investment Income				292,000	292,000	292,000	785,000	785,000	785,000
Emer. Repair & Maint.				1,700,000	1,700,000	1,700,000			
TOTAL CAPITAL				10,114,000	5,214,000	10,114,000	785,000	785,000	785,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Support Education Excellence in Kentucky (SEEK)

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	2,184,668,000	2,184,668,000	2,184,668,000	2,208,786,300	2,201,128,800	2,208,786,300	2,236,293,600	2,222,463,700	2,236,293,600
<b>Regular Total Funds</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,208,786,300</b>	<b>2,201,128,800</b>	<b>2,208,786,300</b>	<b>2,236,293,600</b>	<b>2,222,463,700</b>	<b>2,236,293,600</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,208,786,300</b>	<b>2,201,128,800</b>	<b>2,208,786,300</b>	<b>2,236,293,600</b>	<b>2,222,463,700</b>	<b>2,236,293,600</b>
<b>II. EXPENDITURE CATEGORY</b>									
Grants, Loans, Benefits	2,184,668,000	2,184,668,000	2,184,668,000	2,208,786,300	2,201,128,800	2,208,786,300	2,236,293,600	2,222,463,700	2,236,293,600
Capital Outlay	0	0	0						
<b>TOTAL EXPENDITURES</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,208,786,300</b>	<b>2,201,128,800</b>	<b>2,208,786,300</b>	<b>2,236,293,600</b>	<b>2,222,463,700</b>	<b>2,236,293,600</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	2,184,668,000	2,184,668,000	2,184,668,000	2,208,786,300	2,201,128,800	2,208,786,300	2,236,293,600	2,222,463,700	2,236,293,600
<b>Regular Total Funds</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,208,786,300</b>	<b>2,201,128,800</b>	<b>2,208,786,300</b>	<b>2,236,293,600</b>	<b>2,222,463,700</b>	<b>2,236,293,600</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,184,668,000</b>	<b>2,208,786,300</b>	<b>2,201,128,800</b>	<b>2,208,786,300</b>	<b>2,236,293,600</b>	<b>2,222,463,700</b>	<b>2,236,293,600</b>

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Support Education Excellence in Kentucky**

#### **BRANCH BUDGET**

The Branch Budget recommends funding for existing SEEK programs in FB 2000-2002 with the following exceptions:

The Branch Budget provides General Fund support totaling \$1,573,075,600 for the Base SEEK guarantee per pupil funding level in the current fiscal year (1999-2000). General Fund support totaling \$1,586,762,900 (including additional funding support totaling \$1,648,400) in FY 2000-2001 and \$1,618,228,300 (including additional funding support totaling \$10,330,000) in FY 2001-2002 is recommended for the Base SEEK component. The Branch Budget provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$2,994 in FY 2000-2001 and \$3,066 in FY 2001-2002 based on projected average daily attendance (ADA) totaling approximately 570,739 students in each fiscal year in FB 2000-2002. The current SEEK per pupil guarantee (including \$100 per pupil for capital outlay) totals \$2,924, and is based on a projected ADA student population totaling 571,029.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, funds appropriated for the SEEK program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total funds allotted shall not exceed the appropriations for this purpose except as provided in the Branch Budget Bill.

The Branch Budget recommends continuation of the .15 factor to be applied to the SEEK base per pupil guarantee to determine the "at-risk" funds to be included in the SEEK calculation.

The Branch Budget continues the modified "hold-harmless" guarantee and provides that every school district will receive at least the same amount of SEEK state funding per pupil in each fiscal year of the biennium as was received in FY 1991-92.

Included in the total additional General Fund support is \$1,648,400 in FY 2000-2001 and \$10,330,000 in FY 2001-2002 to provide for the total cost of two and four-tenths percent (2.4%) increase in the Base SEEK component. Additional General Fund support provided also includes \$5,359,000 in FY 2000-2001 and \$640,600 in FY 2001-2002 to fully fund the Tier I component of SEEK, utilizing current year assessments. The recommended total Tier I component funding increases from \$118,834,100 in FY 1999-2000 to \$125,975,600 in FY 2000-2001 and \$123,066,500 in FY 2001-2002. Included in the additional funding support is \$4,562,700 in FY 2000-2001 and \$ 9,227,200 in FY 2001-2002 to provide full funding of the increased Pupil Transportation costs, notwithstanding KRS 157.360(2)(c). Total funds for the Pupil Transportation component increases from \$189,859,500 in FY 1999-2000 to \$194,422,200 in FY 2000-2001 and \$199,086,700 in FY 2001-2002.

Additional General Fund support totaling \$4,454,800 in FY 2000-2001 and \$1,770,800 in FY 2001-2002 is provided to fully fund the Facilities Support Program (FSPK), utilizing current assessments, in accordance to the provisions of KRS 157.620 and KRS 157.440. The total recommended funding increases from \$41,137,800 in FY 1999-2000 to \$46,209,700 in FY 2000-2001 and \$ 44,152,000 in FY 2001-2002.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$20,468,500 in FY 2000-2001 and \$21,452,600 in FY 2001-2002 to support the state-operated vocational school reimbursement for course offerings to students in local school districts.

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$2,381,200 in FY 2000-2001 and \$2,416,900 in FY 2001-2002 to support vocational transportation.

## FB 2000-2002 BUDGET MODIFICATION REPORT

### Support Education Excellence in Kentucky

Additional General Fund support totaling \$3,690,500 in FY 2000-2001 and \$6,756,000 in FY 2001-2002 is provided to support the increased costs for the employer contributions to the Kentucky Teachers' Retirement System in accordance with the provisions of KRS 161.550. The total recommended funding increases from \$238,870,000 in FY 1999-2000 to \$246,143,500 in FY 2000-2001 and \$252,854,800 in FY 2001-2002.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Allocation of Support Education Excellence in Kentucky Funds and Minimum Statewide Salary Schedules as follows:

a. Allocation of Support Education Excellence in Kentucky Funds: The General Fund appropriations to the base Support Education Excellence in Kentucky (SEEK) program are intended to provide a base guarantee of \$2,994 per student in average daily attendance in fiscal year 2000-2001 and \$3,066 per student in average daily attendance in fiscal year 2001-2002 as well as to meet the other requirements of KRS 157.360, notwithstanding KRS 157.360(2)(c).

Notwithstanding any statutory provisions to the contrary, the vocational education deduct factor shall be fifteen percent in fiscal year 2000-2001 and zero percent in fiscal year 2001-2002.

Nothing in this legislation shall be construed as prohibiting the contracting out of pupil transportation services.

For purposes of implementing the provisions of House Bill 469 (1998 Ky. Acts ch. 254), the percent increase in the average annual Consumer Price Index for all urban consumers between the two most recent calendar years refers to calendar year 1999 compared to calendar year 1998; the resulting percent increase shall be applicable in both fiscal year 2000-2001 and fiscal year 2001-2002.

Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. The total appropriation for the Support Education Excellence in Kentucky (SEEK) program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the Support Education Excellence in Kentucky program is subject to Part III, General Provisions, of this Act, and the provisions of KRS Chapter 48. If funds appropriated to the Support Education Excellence in Kentucky program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430.

b. Minimum Statewide Salary Schedules: The following is the minimum statewide salary schedule for fiscal year 2000-2001 and fiscal year 2001-2002.

Rank	I	II	III	IV	V
Experience					
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Support Education Excellence in Kentucky**

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

The House provides General Fund support totaling \$1,572,050,600 in FY 2000-2001 and \$1,594,762,000 in FY 2001-2002 for the Base SEEK component.

The House provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$2,994 in FY 2000-2001 and \$3,066 in FY 2001-2002 based on projected average daily attendance (ADA) totaling approximately 571,807 students in each fiscal year in FB 2000-2002.

The House provides General Fund support totaling \$125,929,500 in FY 2000-2001 and 121,121,800 in FY 2001-2002 for the Tier I component as established by KRS 157.440.

The House provides General Fund support totaling \$194,322,200 in FY 2000-2001 and \$198,876,200 in FY 2001-2002 for the Pupil Transportation component

The House provides General Fund support totaling \$47,640,800 in FY 2000-2001 and \$44,809,300 in FY 2001-2002 to fully fund the Facilities Support Program (FSPK), utilizing current assessments, in accordance to the provisions of KRS 157.620 and KRS 157.440.

The House provides General Fund support totaling \$245,993,500 in FY 2000-2001 and \$252,854,800 in FY 2001-2002 for the increased costs for the employer contributions to the Kentucky Teachers' Retirement System in accordance with the provisions of KRS 161.550.

The House revises Part IX, Special Provisions, relating to Allocation of Support Education Excellence in Kentucky Funds as follows:

For purposes of implementing the provisions of House Bill 469 (1998 Ky. Acts ch. 254), the percent increase in the average annual Consumer Price Index for all urban consumers between the two most recent calendar years refers to calendar year 1999 compared to calendar year 1998; the resulting 2.2% increase shall be applicable in both fiscal year 2000-2001 and fiscal year 2001-2002.

The House adds Part IX, Special Provisions, relating to Allocation of Support Education Excellence in Kentucky Lapse Funds as follows:

c. Allocation of Support Education Excellence in Kentucky Lapse Funds: Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors if funds for that adjustment factor are not sufficient. Excess funds that exist after the SEEK base and all SEEK adjustment factors have been fully funded shall be reallocated for the purpose of providing a supplemental wage program for certified personnel in local school districts. To qualify, the personnel must be employed for 175 instructional days within the same local school district. Each qualified certified personnel shall receive a supplemental payment in FB 2000-2002 which shall not become part of the base salary or be included in retirement calculations. The Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet and the written request of the Commissioner of Education shall certify that excess funds are available.

#### **SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate provides General Fund support totaling \$1,564,680,400 in FY 2000-2001 and \$1,581,404,300 in FY 2001-2002 for the Base SEEK component.



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Support Education Excellence in Kentucky**

The Senate provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$2,986 in FY 2000-2001 and \$3,052 in FY 2001-2002 based on projected average daily attendance (ADA) totaling approximately 571,807 students in each fiscal year in FB 2000-2002.

The Senate provides General Fund support totaling \$125,642,200 in FY 2000-2001 and \$120,649,600 in FY 2001-2002 fully funding the Tier I component as established by KRS 157.440, utilizing current year assessments.

The Senate provides for the continuation of the .3 deduct that is applied against the base per pupil guarantee in those instances where a pupil spends a portion of the school day at a state-operated vocational school.

The Senate amends Part IX, Special Provisions, language provision relating to Allocation of Support Education Excellence in Kentucky Lapse Funds to read as follows:

Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors, if funds for that adjustment factor are not sufficient. Excess funds that exist after the SEEK base and all SEEK adjustment factors have been fully funded shall be reallocated for the purpose of providing additional SEEK funding to local school districts. The reallocation of excess funds shall be in accordance with 702 KAR 3:270 promulgated under KRS 157.310 to KRS 157.440. Supplemental SEEK payments during fiscal biennium 2000-2002 shall not become part of the continuing SEEK base. The Governor, upon the written recommendation of the Secretary of the Finance and Administration Cabinet and the written request of the Commissioner of Education, shall certify that excess funds are available.

### **CONFERENCE REPORT**

The Conference concurs with the House with the following changes:

The Conference provides the amount of \$470,000 average per pupil assessment equalization level in each fiscal year pursuant to KRS 157.440 and KRS 157.620.

The Conference amends Part IX, Special Provisions, language provision relating to Allocation of Support Education Excellence in Kentucky Lapse Funds to read as follows:

c. Allocation of Support Education Excellence in Kentucky Lapse Funds: Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors, if funds for that adjustment factor are not sufficient. Excess funds that exist after the SEEK base and all SEEK adjustment factors have been fully funded shall be reallocated for the purpose of providing additional SEEK funding to local school districts. The reallocation of excess funds shall be in accordance with 702 KAR 3:270 promulgated under KRS 157.310 to KRS 157.440. Supplemental SEEK payments during fiscal biennium 2000-2002 shall not become part of the continuing SEEK base. The Governor, upon the written recommendation of the Secretary of the Finance and Administration Cabinet and the written request of the Commissioner of Education, shall certify that excess funds are available.

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**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Executive Policy and Management

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	2,364,700	2,364,700	2,364,700	2,637,700	2,637,700	2,637,700	2,676,900	2,676,900	2,676,900
Restricted Funds	405,700	405,700	405,700	427,200	427,200	427,200	425,400	425,400	425,400
Federal Funds	526,000	526,000	526,000	538,600	538,600	538,600	551,500	551,500	551,500
<b>Regular Total Funds</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,653,800</b>	<b>3,653,800</b>	<b>3,653,800</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,653,800</b>	<b>3,653,800</b>	<b>3,653,800</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	2,331,600	2,331,600	2,331,600	2,529,500	2,529,500	2,529,500	2,611,600	2,611,600	2,611,600
Operating Expenses	438,800	438,800	438,800	535,400	535,400	535,400	490,700	490,700	490,700
Grants, Loans, Benefits	526,000	526,000	526,000	538,600	538,600	538,600	551,500	551,500	551,500
Capital Outlay	0	0	0						
<b>TOTAL EXPENDITURES</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,603,500</b>	<b>3,653,800</b>	<b>3,653,800</b>	<b>3,653,800</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	2,364,700	2,364,700	2,364,700	2,587,700	2,587,700	2,587,700	2,660,400	2,660,400	2,660,400
Restricted Funds	405,700	405,700	405,700	419,700	419,700	419,700	419,200	419,200	419,200
Federal Funds	526,000	526,000	526,000	538,600	538,600	538,600	551,500	551,500	551,500
<b>Regular Total Funds</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,546,000</b>	<b>3,546,000</b>	<b>3,546,000</b>	<b>3,631,100</b>	<b>3,631,100</b>	<b>3,631,100</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,296,400</b>	<b>3,546,000</b>	<b>3,546,000</b>	<b>3,546,000</b>	<b>3,631,100</b>	<b>3,631,100</b>	<b>3,631,100</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				50,000	50,000	50,000	16,500	16,500	16,500
Restricted Funds				7,500	7,500	7,500	6,200	6,200	6,200
<b>TOTAL ADDITIONAL</b>				<b>57,500</b>	<b>57,500</b>	<b>57,500</b>	<b>22,700</b>	<b>22,700</b>	<b>22,700</b>

**V. ADDITIONAL BUDGET ITEMS**

**1 EXPAN** Legal Services - Ky School Laws

(540AD0X01) Provide funds to support the biennial preparation and publication of the KY School Laws pursuant to KRS 156.240.

<b>General Fund</b>	50,000	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**3 NEW** Wage Equity Plan

(540AACX01) Provide funds to support salary improvement.

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Executive Policy and Management

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
3	NEW Wage Equity Plan									
(540AACX01)	Provide funds to support salary improvement.									
General Fund								16,500	16,500	16,500
Restricted Funds					7,500	7,500	7,500	6,200	6,200	6,200
Total					7,500	7,500	7,500	22,700	22,700	22,700
TOTAL ADDITIONAL					57,500	57,500	57,500	22,700	22,700	22,700

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Executive Policy and Management**

#### **BRANCH BUDGET**

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$11,700 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part III (26), General Provisions, includes language provisions that direct, it is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the agency budget request records recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

The Branch Budget Bill, Part IX, Special Provisions, includes language provision relating to Employment of Personnel as follows:

a. Employment of Personnel: Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than fifty percent (50%) of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

#### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

Additional General Fund support totaling \$50,000 in FY 2000-2001 is provided to support the biennial preparation and publication of the Kentucky School Laws pursuant to KRS 156.240.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$7,500 in FY 2000-2001 and \$22,700 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel

**FB 2000-2002  
BUDGET MODIFICATION REPORT**

**Executive Policy and Management**

Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

**SENATE REPORT**

The Senate concurs with the House with the following changes:

The Senate deletes Part IX, Special Provisions, language provision relating to Employment of Personnel.

**CONFERENCE REPORT**

The Conference concurs with House with the following change:

The Conference adds Part IX, Special Provisions, language provision relating to Employment of Leadership Personnel as follows:

b. Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200 and the provisions of 2000 HB 728, the Kentucky Board of Education shall have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set their compensation comparable to the competitive market.

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Management Support Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	384,635,500	384,635,500	384,635,500	398,299,900	392,903,900	399,499,900	428,319,300	426,634,300	429,519,300
Restricted Funds	2,893,000	2,893,000	2,893,000	3,090,500	3,090,500	3,090,500	2,989,500	2,989,500	2,989,500
Federal Funds	140,281,500	140,281,500	140,281,500	172,455,500	172,455,500	172,455,500	176,555,400	176,555,400	176,555,400
<b>Regular Total Funds</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>573,845,900</b>	<b>568,449,900</b>	<b>575,045,900</b>	<b>607,864,200</b>	<b>606,179,200</b>	<b>609,064,200</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>573,845,900</b>	<b>568,449,900</b>	<b>575,045,900</b>	<b>607,864,200</b>	<b>606,179,200</b>	<b>609,064,200</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	9,687,900	9,687,900	9,687,900	11,004,100	11,004,100	11,004,100	11,377,600	11,377,600	11,377,600
Operating Expenses	5,904,800	5,904,800	5,904,800	5,921,200	5,881,200	5,921,200	6,012,000	5,972,000	6,012,000
Grants, Loans, Benefits	512,217,300	512,217,300	512,217,300	556,920,600	551,564,600	558,120,600	589,191,600	588,490,600	590,391,600
Debt Service							1,283,000	339,000	1,283,000
Capital Outlay	0	0	0						
<b>TOTAL EXPENDITURES</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>573,845,900</b>	<b>568,449,900</b>	<b>575,045,900</b>	<b>607,864,200</b>	<b>606,179,200</b>	<b>609,064,200</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	384,635,500	384,635,500	384,635,500	362,119,400	362,119,400	362,119,400	368,402,100	368,402,100	368,402,100
Restricted Funds	2,893,000	2,893,000	2,893,000	3,005,400	3,005,400	3,005,400	2,919,000	2,919,000	2,919,000
Federal Funds	140,281,500	140,281,500	140,281,500	172,455,500	172,455,500	172,455,500	176,555,400	176,555,400	176,555,400
<b>Regular Total Funds</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>537,580,300</b>	<b>537,580,300</b>	<b>537,580,300</b>	<b>547,876,500</b>	<b>547,876,500</b>	<b>547,876,500</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>527,810,000</b>	<b>537,580,300</b>	<b>537,580,300</b>	<b>537,580,300</b>	<b>547,876,500</b>	<b>547,876,500</b>	<b>547,876,500</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				36,180,500	30,784,500	37,380,500	59,917,200	58,232,200	61,117,200
Restricted Funds				85,100	85,100	85,100	70,500	70,500	70,500
<b>TOTAL ADDITIONAL</b>				<b>36,265,600</b>	<b>30,869,600</b>	<b>37,465,600</b>	<b>59,987,700</b>	<b>58,302,700</b>	<b>61,187,700</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>3 EXPAN</b>	<b>Division of School Finance - District Health and Life Insurance Premiums</b>								
(540CD6X01)	Provide funds to support Health and Life Insurance for 91,100 local district employees in FY 2000-01 and 92,900 in FY 2001-02 pursuant to KRS 18A.225.								
<b>General Fund</b>				25,594,000	25,594,000	25,594,000	48,510,900	48,510,900	48,510,900
<b>Total</b>				<b>25,594,000</b>	<b>25,594,000</b>	<b>25,594,000</b>	<b>48,510,900</b>	<b>48,510,900</b>	<b>48,510,900</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>4 MTCE</b>	<b>District Support Services - Safe Schools</b>									
(540CDSX01)	Provide funds to support initiatives designed to prevent violence in and around schools, support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.									
<b>General Fund</b>					2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</b>					<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>6 EXPAN</b>	<b>Additional Family Resource Youth Service Centers and Administrative Costs</b>									
(540CH2X01)	Provide funds to support the establishment of 47 additional Family Resource & Youth Service Centers in FY 2000-2001 and 47 additional Centers in FY 2001-2002. CONFERENCE: Adds support for administrative costs.									
<b>General Fund</b>					3,190,500	3,190,500	4,190,500	7,316,500	7,316,500	8,316,500
<b>Total</b>					<b>3,190,500</b>	<b>3,190,500</b>	<b>4,190,500</b>	<b>7,316,500</b>	<b>7,316,500</b>	<b>8,316,500</b>
<b>7 NEW</b>	<b>Middle Grades School Demonstration Network</b>									
(540CDHX01)	Provide funds to support a network of partner schools which provide working examples of best practices and serve in a mentoring role to low-performing schools.									
<b>General Fund</b>					144,000		144,000	288,000		288,000
<b>Total</b>					<b>144,000</b>		<b>144,000</b>	<b>288,000</b>		<b>288,000</b>
<b>8 NEW</b>	<b>Debt Service - KSB - Roof Replacements and Weatherproofing</b>									
(540CB0X02)	Provide debt service funds to support Bond Funds totaling \$1,122,000 in FY 2000-2001 for roof replacement and weatherproofing projects at the KY School for the Blind (KSB).									
<b>General Fund</b>								117,000	117,000	117,000
<b>Total</b>								<b>117,000</b>	<b>117,000</b>	<b>117,000</b>
<b>9 NEW</b>	<b>Debt Service - KSD - Roof Replacements</b>									
(540CB0X03)	Provide debt service funds to support Bond Funds totaling \$850,000 in FY 2000-2001 for replacement of roofs at the KY School for the Deaf (KSD).									
<b>General Fund</b>								91,000	91,000	91,000
<b>Total</b>								<b>91,000</b>	<b>91,000</b>	<b>91,000</b>
<b>10 NEW</b>	<b>Debt Service - KSD - Fire Safety Dorms Renovations</b>									
(540CB0X04)	Provide debt service funds to support Bond Funds totaling \$1,250,000 in FY 2000-2001 for renovations and increased water pressure to ensure adequate fire sprinkler protection for renovated dorms at KSD.									
<b>General Fund</b>								131,000	131,000	131,000
<b>Total</b>								<b>131,000</b>	<b>131,000</b>	<b>131,000</b>



**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
11	NEW	Wage Equity Plan								
(540CA0X01)		Provide funds to support salary improvement.								
General Fund								65,800	65,800	65,800
Restricted Funds					85,100	85,100	85,100	70,500	70,500	70,500
Total					85,100	85,100	85,100	136,300	136,300	136,300
12	NEW	Education Professional Standards Board System Infrastructure/Database System								
(540CGA01)		Provide debt service requirements to support new Bond Funds totaling \$2.9 million in FY 2001-2002 for Infrastructure and a Database System.								
General Fund								555,000		555,000
Total								555,000		555,000
13	NEW	Education Professional Standards Board System Infrastructure								
(540CGA02)		Provide debt service requirements to support new Bond Funds totaling \$2.0 million in FY 2001-2002 for telecommunications and computer related equipment.								
General Fund								389,000		389,000
Total								389,000		389,000
14	EXPAN	Alcohol, Tobacco, and Drug Education								
(540CGA05)		Provide funds to support Alcohol, Tobacco, and Drug Education Programs in the Johnson County School System.								
General Fund					12,000		12,000	13,000		13,000
Total					12,000		12,000	13,000		13,000
15	EXPAN	Child Assault Prevention Program (CAPS)								
(540CGA04)		Provide funds to support CAPS Program in Boyd, Bullitt, Elliott, Franklin, Jefferson, Johnson, Lawrence, Madison, and Martin counties in each fiscal year.								
General Fund					100,000		100,000	100,000		100,000
Total					100,000		100,000	100,000		100,000
16	NEW	Southgate Independent								
(540CGA06)		Provide funds to support program expenses for the Southgate Independent School District.								
General Fund					40,000		40,000	40,000		40,000
Total					40,000		40,000	40,000		40,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Management Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
17	EXPAN	Community Education								
(540CGA03)	Provide funds to support five additional programs in FY 2000-2001 and 10 additional programs in FY 2001-2002.									
General Fund					100,000		100,000	300,000		300,000
Total					100,000		100,000	300,000		300,000
18	EXPAN	Education Technology Escrow Account								
(540CGA07)	Provide funds to support the Education Technology Escrow Account to be expended based on guidelines established by the Education Technology Master Plan in FY 2001-2002.									
General Fund					5,000,000		5,000,000			
Total					5,000,000		5,000,000			
19	EXPAN	Dropout Prevention								
(540DGA03)	Provide funds to support grants to local school districts for dropout prevention programs.									
General Fund							200,000			200,000
Total							200,000			200,000
TOTAL ADDITIONAL					36,265,600	30,869,600	37,465,600	59,987,700	58,302,700	61,187,700

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Management Support Services**

#### **BRANCH BUDGET**

The Branch Budget recommends reduced funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget Bill, Part I, Operating Budget, appropriates General Fund support totaling \$10,800,000 in each fiscal year to support reimbursements to local school districts for the Out-of District Children Program.

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, General Fund support totaling \$261,274,800 in FY 2000-2001 and \$289,848,100 in FY 2001-2002 is provided for health and life insurance coverage for employees of local school districts. Included in the funds provided for health and life insurance coverage for employees of local school districts is additional General Fund support totaling \$25,594,400 in FY 2000-2001 and \$48,510,900 in FY 2001-2002 to fully fund the cost of health insurance premiums for all eligible local school district employees (91,100 in FY 2000-2001 and 92,900 in FY 2001-2002).

Additional General Fund support totaling \$2,492,500 in FY 2000-2001 and \$2,473,800 in FY 2001-2002 is provided to establish approximately forty (40) new Family Resource and Youth Service Centers (FRYSC's) in FY 2000-2001. The total recommended General Fund support for the FRYSC's Program totals \$46,045,800 in FY 2000-2001 and \$46,027,100 in FY 2001-2002.

Additional General Fund support totaling \$144,000 in FY 2000-2001 and \$288,000 in FY 2001-2002 is provided to support the Middle-Grades School Demonstration Network.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$19,500 in FY 2000-2001 and \$12,700 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market. These funds are provided to support the Wage Equity Plan for persons employed by the Cabinet for Families and Children who are responsible for the duties relating to the administration of the Family Resource and Youth Service Centers (FRYSC's) Program. Also, Restricted Funds support totaling \$133,300 in FY 2000-2001 is budgeted to provide Wage Equity Plan funding for persons employed within Management Support Services.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects with the associated debt service provided in Part I, Operating Budget:

Additional General Fund support totaling \$117,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$1,122,000 in FY 2000-2001 for roofing and weatherproofing projects at the Kentucky School for the Blind.

Additional General Fund support totaling \$91,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$850,000 in FY 2000-2001 for roof replacement projects at the Kentucky School for the Deaf.

Additional General Fund support totaling \$131,000 in FY 2001-2002 is provided for debt service to support Bond Funds totaling \$1,250,000 in FY 2000-2001 for fire safety dorm renovations at the Kentucky School for the Deaf.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Management Support Services**

Additional General Fund support totaling \$2,900,000 in FY 2000-2001 is provided for an Infrastructure/Database System for the Education Professional Standards Board.

Additional General Fund support totaling of \$2,000,000 in FY 2000-2001 is provided for a System Infrastructure for the Education Professional Standards Board.

In addition to the Bond Funds identified above, Part II, Capital Projects Budget, provides for the following: Emergency Repair, Maintenance and Replacement Funds in the amount of \$1,700,000 in FY 2000-2001 to provide steam line replacements at the Kentucky School for the Deaf; Investment Income in the amount of \$292,000 in FY 2000-2001 and \$785,000 in FY 2001-2002 to provide a Maintenance Pool for utilization by the Department of Education; and reauthorization of the Jackson County Area Vocational School Project.

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to Funding for Employer Health and Life Insurance and Retirement Contributions, Kentucky Education Technology System, and Family Resource and Youth Services Centers as follows:

- a. Funding for Employer Health and Life Insurance and Retirement Contributions: If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. If the appropriations for either local school district teachers' retirement employer match or local district health and life insurance fall short of statutory requirements, any surplus funds from the other appropriation unit may be transferred to the appropriation unit experiencing the shortfall. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. Notwithstanding the provisions of KRS 45.229, any unexpended local school district teachers' retirement employer match funds shall not lapse at the end of fiscal year 2000-2001 but shall be available if needed in fiscal year 2001-2002. Included within the General Fund appropriation for local school district employee health and life insurance is funding to cover costs associated with the Personnel Cabinet's administrative activities including providing life and health insurance for local school district employees. Accordingly, the sum of \$4 per month per employee participating in the state-provided life and health insurance program in fiscal year 2000-2001 and \$4 per month per employee participating in the state-provided life and health insurance program in fiscal year 2001-2002 shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance.
- b. Kentucky Education Technology System: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds.
- c. Family Resource and Youth Services Centers: Funds appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 2000-2001 and in fiscal year 2001-2002 to the Cabinet for Families and Children consistent with the intent of KRS 156.497. The Cabinet for Families and Children is authorized to use, for administrative purposes, no more than three percent (3%) of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. The Department of Education is authorized to retain \$76,900 in fiscal year 2000-2001 and \$79,700 in fiscal year 2001-2002 from the funds appropriated for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource or Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Management Support Services**

If seventy percent (70%) or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Families and Children identifying the salary of the director. The Cabinet for Families and Children shall transmit any reports received from Family Resource and Youth Service Centers pursuant to this provision to the Legislative Research Commission.

### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

Additional General Fund support totaling \$2,000,000 in each fiscal year is provided for the Safe Schools Grant Program administered by the Center for School Safety to support programs that prevent the illegal use of alcohol, tobacco and drugs through a school and community-based environment.

Additional General Fund support totaling \$698,000 in FY 2000-2001 and \$4,842,700 is provided to establish 47 additional Family Resource & Youth Service Centers in FY 2000-2001 and 47 additional Centers in FY 2001-2002, and provide a 2.4% COLA adjustment in each fiscal year for Centers in operation during FY 1999-2000.

Additional General Fund support totaling \$555,000 in FY 2001-2002 is provided for debt service requirements to support Bond Funds totaling \$2.9 million in FY 2001-2002 for Infrastructure and a Database System on behalf of the Education Professional Standards Board.

Additional General Fund support totaling \$389,000 in FY 2001-2002 is provided for debt service requirements to support Bond Funds totaling \$2.0 million in FY 2001-2002 for Infrastructure on behalf of the Education Professional Standards Board.

Additional General Fund Support totaling \$12,000 in FY 2000-2001 and \$13,000 in FY 2001-2002 is provided to support Alcohol, Tobacco, and Drug Education Programs in the Johnson County School System.

Additional General Fund support totaling \$100,000 in each fiscal year is provided to support the Child Assault Prevention Program (CAPS) in Boyd, Bullitt, Elliott, Franklin, Jefferson, Johnson, Lawrence, Madison, and Martin counties in each fiscal year.

Additional General Fund support totaling \$40,000 in each fiscal year is provided to support program expenses for the Southgate Independent School District.

Additional General Fund support totaling \$100,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 is provided to support the establishment of 5 additional Community Education programs in FY 2000-2001 and 10 additional programs in 2001-2002.

Additional General Fund support totaling \$5,000,000 in FY 2000-2001 is provided for the Education Technology Escrow Account to be expended based on guidelines established by the Education Technology Master Plan in FY 2001-2002.

The amount of \$105,000 in each fiscal year is transferred to Murray State University to support Professional Development opportunities within the area of technology.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Management Support Services**

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$85,100 in FY 2000-2001 and \$136,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, relating to Education Professional Standards Board System Infrastructure/Database System as follows:

d. Education Professional Standards Board System Infrastructure/Database System: The capital project authorized in Part II, Section C, item f of this Act shall, to the maximum degree possible, provide the Kentucky Department of Education with capacity for data warehousing for student, financial and related data needs as well as providing teacher quality data.

e. Allocation of Safe Schools Funds: Notwithstanding KRS 158.446, the General Fund appropriations in this Act in Part I, C., Section 24, Management Support Services, the Center for School Safety shall develop and implement allotment policies for all moneys received for the purposes of KRS 158.440 to 158.442 and KRS 158.445 to 158.446.

This record reflects adoption of House Committee Amendment #2, which adds additional General Fund support totaling \$5,000,000 in fiscal year 2000-2001 for the Education Technology Escrow Account to be expended based on guidelines established by the Education Technology Master Plan in fiscal year 2001-2002.

This record reflects adoption of House Floor Amendment #17 that adds Part IX language provision relating to Allocation of Safe Schools Funds.

### **SENATE REPORT**

The Senate concurs with the House with the following changes:

Additional General Fund support totaling \$144,000 in FY 2000-2001 and \$288,000 in FY 2001-2002 for a Middle Grades School Demonstration Network is not provided.

Additional General Fund support totaling \$555,000 in FY 2001-2002 for debt service requirements to support Bond Funds totaling \$2.9 million in FY 2001-2002 for Infrastructure/Database System on behalf of the Education Professional Standards Board is not provided.

Additional General Fund support totaling \$389,000 in FY 2001-2002 for debt service requirements to support Bond Funds totaling \$2.0 million in FY 2001-2002 for Infrastructure on behalf of the Education Professional Standards Board is not provided.

Additional General Fund support totaling \$12,000 in FY 2000-2001 and \$13,000 in FY 2001-2002 for Alcohol, Tobacco, and Drug Education Programs in the Johnson County School System is not provided.

Additional General Fund support totaling \$100,000 in FY 2000-2001 and \$100,000 in FY 2001-2002 for the Child Assault Prevention Program is not provided.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Management Support Services**

Additional General Fund support totaling \$40,000 in FY 2000-2001 and \$40,000 in FY 2001-2002 for funds to support program expenses for the Southgate Independent School District is not provided.

Additional General Fund support totaling \$100,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 for the Community Education Program is not provided.

Additional General Fund support totaling \$5,000,000 in FY 2000-2001 for the Education Technology Escrow Account is not provided.

The Senate deletes Part I, Operating Budget, language provision relating to the Community Education Program.

The Senate deletes Part II, Capital Projects Budget, Educational Professional Standards Board System Infrastructure/Database System and Education Professional Standards Board System Infrastructure.

The Senate deletes Part IX, Special Provisions, language provision relating to Education Professional Standards Board System Infrastructure/Database System.

The Senate amends Part IX, Special Provisions, language provision relating to Allocation of Safe School Funds to read as follows:

e. Allocation of Safe Schools Funds: Notwithstanding KRS 158.446, the General Fund appropriations in this Act in Part I, C., Section 24, Management Support Services, the Center for School Safety shall expend funds budgeted for operating expenses and the balance shall be distributed for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446 as follows: each local school district shall receive a grant of \$20,000 per district and the remaining balance shall be distributed to local school districts on a per pupil basis.

### **CONFERENCE REPORT**

The Conference concurs with the House with the following changes:

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$1,000,000 in FY 2001-2002 is provided for administrative costs associated with the establishment of 47 additional Family Youth and Resource Centers in FY 2000-2001 and an additional 47 Centers in FY 2001-2002.

Additional General Fund support totaling \$200,000 in FY 2000-2001 and \$200,000 in FY 2001-2002 is provided to support dropout prevention programs.

The Conference includes Part I, Operating Budget, language provision that directs, \$1,500,000 in each fiscal year is provided for the Community Education Program.

The Conference amends Part IX, Special Provisions, language provision relating to Allocation of Safe School Funds to read as follows:

e. Allocation of Safe Schools Funds: Notwithstanding KRS 158.446, the General Fund appropriations in this Act in Part I, C., Section 24, Management Support Services, the Center for School Safety shall develop and implement allotment policies for all moneys received for the purposes of KRS 158.440 to 158.442 and KRS 158.445 to 158.446.

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CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Management Support Services

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Bond Funds	8,122,000	3,222,000	8,122,000			
Investment Income	292,000	292,000	292,000	785,000	785,000	785,000
Emer. Repair & Maint.	1,700,000	1,700,000	1,700,000			
TOTAL CAPITAL	10,114,000	5,214,000	10,114,000	785,000	785,000	785,000

II. CAPITAL PROJECTS

1 (5400213)	Maintenance Pool					
Investment Income		292,000	292,000	292,000	785,000	785,000
Total		292,000	292,000	292,000	785,000	785,000
2 (5400204)	Kentucky School for the Deaf Steam Line Replacement					
Emer. Repair & Maint.		1,700,000	1,700,000	1,700,000		
Total		1,700,000	1,700,000	1,700,000		
3 (5400214)	Kentucky School for the Blind Roofing and Weatherproofing					
Bond Funds		1,122,000	1,122,000	1,122,000		
Total		1,122,000	1,122,000	1,122,000		
4 (5400215)	Kentucky School for the Deaf Roof Replacements					
Bond Funds		850,000	850,000	850,000		
Total		850,000	850,000	850,000		
5 (5400202)	Kentucky School for the Deaf Fire Safety/Dorm Renovation					
Bond Funds		1,250,000	1,250,000	1,250,000		
Total		1,250,000	1,250,000	1,250,000		
10 (5400207)	Education Professional Standards Board System Infrastructure/Database System					
Bond Funds		2,900,000		2,900,000		
Total		2,900,000		2,900,000		
11 (5400206)	Education Professional Standards Board System Infrastructure					
Bond Funds		2,000,000		2,000,000		
Total		2,000,000		2,000,000		

CONFERENCE BUDGET REPORT ANALYSIS  
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Cabinet/Function: Education

Agency: Education

Appropriation Unit: Management Support Services

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

II. CAPITAL PROJECTS

12 (5400208) Jackson County Area Technology Center - (Reauthorization)

Total								
TOTAL			10,114,000	5,214,000	10,114,000	785,000	785,000	785,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

Governmental Branch: Executive Branch

Agency: Education

Cabinet/Function: Education

Appropriation Unit: Learning Support Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund Special	865,400	865,400	865,400						
General Fund	170,485,200	170,485,200	170,485,200	187,960,800	181,300,000	184,960,800	193,107,700	183,065,000	192,607,700
Restricted Funds	3,406,000	3,406,000	3,406,000	3,604,200	3,604,200	3,604,200	3,571,300	3,571,300	3,571,300
Federal Funds	285,264,000	285,264,000	285,264,000	292,032,300	292,032,300	292,032,300	298,881,900	298,881,900	298,881,900
<b>Regular Total Funds</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>483,597,300</b>	<b>476,936,500</b>	<b>480,597,300</b>	<b>495,560,900</b>	<b>485,518,200</b>	<b>495,060,900</b>
General Fund Continuing									
<b>GRAND TOTAL FUNDS</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>483,597,300</b>	<b>476,936,500</b>	<b>480,597,300</b>	<b>495,560,900</b>	<b>485,518,200</b>	<b>495,060,900</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	40,126,900	40,126,900	40,126,900	45,328,000	44,338,000	45,278,000	47,684,700	45,904,700	47,484,700
Operating Expenses	7,545,900	7,545,900	7,545,900	10,028,000	9,578,000	9,978,000	9,858,400	9,143,400	9,643,400
Grants, Loans, Benefits	412,347,800	412,347,800	412,347,800	428,181,300	422,960,500	425,281,300	438,017,800	430,470,100	437,932,800
Capital Outlay	0	0	0	60,000	60,000	60,000			
<b>TOTAL EXPENDITURES</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>460,020,600</b>	<b>483,597,300</b>	<b>476,936,500</b>	<b>480,597,300</b>	<b>495,560,900</b>	<b>485,518,200</b>	<b>495,060,900</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	170,485,200	170,485,200	170,485,200	172,483,600	172,483,600	172,483,600	174,494,900	174,494,900	174,494,900
Restricted Funds	3,406,000	3,406,000	3,406,000	3,529,600	3,529,600	3,529,600	3,509,600	3,509,600	3,509,600
Federal Funds	285,264,000	285,264,000	285,264,000	292,032,300	292,032,300	292,032,300	298,881,900	298,881,900	298,881,900
<b>Regular Total Funds</b>	<b>459,155,200</b>	<b>459,155,200</b>	<b>459,155,200</b>	<b>468,045,500</b>	<b>468,045,500</b>	<b>468,045,500</b>	<b>476,886,400</b>	<b>476,886,400</b>	<b>476,886,400</b>
General Fund Continuing									
<b>TOTAL BASE LEVEL</b>	<b>459,155,200</b>	<b>459,155,200</b>	<b>459,155,200</b>	<b>468,045,500</b>	<b>468,045,500</b>	<b>468,045,500</b>	<b>476,886,400</b>	<b>476,886,400</b>	<b>476,886,400</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund Special	865,400	865,400	865,400						
General Fund				15,477,200	8,816,400	12,477,200	18,612,800	8,570,100	18,112,800
Restricted Funds				74,600	74,600	74,600	61,700	61,700	61,700
<b>TOTAL ADDITIONAL</b>	<b>865,400</b>	<b>865,400</b>	<b>865,400</b>	<b>15,551,800</b>	<b>8,891,000</b>	<b>12,551,800</b>	<b>18,674,500</b>	<b>8,631,800</b>	<b>18,174,500</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN</b>	<b>Assessment and Accountability - Standards Setting</b>								
(540MMAX01)	Provide funds to support the review/re-establishment of student performance standards by a process proposed by the National Technical Advisory Panel on Assessment and Accountability and endorsed by the Kentucky Board of Education.								
<b>General Fund</b>	40,400	40,400	40,400	600,000	600,000	600,000			
<b>Total</b>	<b>40,400</b>	<b>40,400</b>	<b>40,400</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>			

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
2	EXPAN	Assessment and Accountability - Longitudinal Assessment								
(540MMAX02)	Provide funds to support the development of Longitudinal Assessments for low scoring students in reading and mathematics.									
General Fund		325,000	325,000	325,000	800,000	800,000	800,000	850,000	850,000	850,000
Total		325,000	325,000	325,000	800,000	800,000	800,000	850,000	850,000	850,000
3	EXPAN	Assessment and Accountability - CATS (Operating Costs)								
(540MMAX03)	Provide funds to replace support transferred from the SEEK Fund (Pupil Transportation) to support the costs of the Commonwealth Accountability Testing System (CATS).									
General Fund					1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Total					1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
4	EXPAN	Assessment and Accountability - Alternative Portfolio Scoring								
(540MMAX04)	Provide funds to support alternative portfolio scoring of children with moderate and severe disabilities involved in community based curriculums.									
General Fund					245,000	245,000	245,000	257,500	257,500	257,500
Total					245,000	245,000	245,000	257,500	257,500	257,500
5	EXPAN	Assessment and Accountability - School Report Card								
(540MMAX05)	Provide funds to support training and assist local educational areas in compiling and reporting data for the School Report Card.									
General Fund					383,400	383,400	383,400	393,000	393,000	393,000
Total					383,400	383,400	383,400	393,000	393,000	393,000
6	EXPAN	Assessment and Accountability - CATS Validation and Documentation								
(540MMBX01)	Provide funds to support contractual agreements for validity research and documentation regarding the Commonwealth Accountability Testing System (CATS).									
General Fund					250,000	250,000	250,000	400,000	400,000	400,000
Total					250,000	250,000	250,000	400,000	400,000	400,000
7	NEW	Office of Teacher Education and Certification - Teacher Academies (Operations)								
(540MNX01)	Provide funds to support the operating costs for the Academies and stipends for teachers who attend.									
General Fund								700,000		2,100,000
Total								700,000		2,100,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
9	EXPAN	Minority Educator Recruitment and Retention - Increased Scholarships								
(540MKAX01)	Provide funds to support increases in the Minority Educator Recruitment and Retention Scholarship awards from \$5,000 to \$6,000.									
General Fund					500,000			500,000		
Total					500,000			500,000		
10	NEW	Kentucky Virtual High School (KVHS) - Operations								
(540MA0X01)	Provide funds to support the operations of the Kentucky Commonwealth Virtual High School which enable all high school students with Internet access to take advanced courses not available through their local schools.									
General Fund		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
12	EXPAN	KY School for the Blind (KSB) - School Bus								
(540MDG2X01)	Provide funds to support the purchase of a school bus in compliance with KRS Chapter 189.									
General Fund					60,000	60,000	60,000			
Total					60,000	60,000	60,000			
13	EXPAN	KSB - Additional Staff Positions								
(540MDG0X01)	Provide funds to support 3 additional PFT positions in FY 2000-01 and 3 additional PFT positions in FY 2001-2002 for technical assistance and resources as the Statewide Educational Resource Center for the Blind.									
General Fund					78,000	78,000	78,000	156,000	156,000	156,000
Total					78,000	78,000	78,000	156,000	156,000	156,000
14	EXPAN	KSB - Braille Textbooks								
(540MDG0X02)	Provide funds to support the purchase of Braille textbooks.									
General Fund					50,000	50,000	50,000	35,000	35,000	35,000
Total					50,000	50,000	50,000	35,000	35,000	35,000
15	EXPAN	KY School for the Deaf (KSD) - Academic Reinforcement (Additional Positions)								
(540MDH4X01)	Provide funds to support 3 additional PFT positions.									
General Fund					150,000	150,000	150,000	150,000	150,000	150,000
Total					150,000	150,000	150,000	150,000	150,000	150,000

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
18	EXPAN	Teacher Testing and Internship - Increased Operating Costs and Grants								
(540ME3X01)	Provide funds to increase stipends to teacher internship mentors by \$200 in FY 2000-2001 and an additional \$200 in FY 2001-2002.									
General Fund					540,000		540,000	1,080,000		1,080,000
Total					540,000		540,000	1,080,000		1,080,000
22	NEW	Secondary Vocational Education - Equalization								
(540MDB1X02)	Provide funds to support equalization of locally-operated Secondary Vocational Centers with funding comparable to state-operated Secondary Vocational Centers operated by the Workforce Development Cabinet.									
General Fund					3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000
Total					3,850,000	3,850,000	3,850,000	3,850,000	3,850,000	3,850,000
23	NEW	Secondary Vocational Education Centers - Christian & Henderson Counties								
(540MDB1X03)	Provide funds to support operational costs of locally-operated Secondary Vocational Technical Centers located in Christian & Henderson Counties.									
General Fund					670,800		670,800	697,700		697,700
Total					670,800		670,800	697,700		697,700
24	NEW	Teacher Education and Certification - EPSB Operations								
(540ME1X01)	Provide funds to support operating expenses to provide for an independent Education Professional Standards Board (EPSB). CONFERENCE: Provide funds to support additional responsibilities of EPSB within KDE.									
General Fund					900,000		800,000	1,415,000		1,000,000
Total					900,000		800,000	1,415,000		1,000,000
25	NEW	Teacher Education and Certification - National Board Certification								
(540ME1X02)	Provide funds to support Kentucky teachers pursuit of National Board Certification.									
General Fund					700,000		400,000	1,200,000		800,000
Total					700,000		400,000	1,200,000		800,000
26	NEW	Teacher Education and Certification - Core Subject Assistance								
(540ME1X03)	Provide funds to support teachers who are teaching out of their field of specialization.									
General Fund					250,000	250,000		250,000	250,000	
Total					250,000	250,000		250,000	250,000	

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>27 NEW</b>	<b>Teacher Education and Certification - License Renewal Evaluation</b>									
(540ME1X04)	Provide funds to support a strengthened evaluation process for renewal of teaching licenses.									
<b>General Fund</b>					600,000			700,000		700,000
<b>Total</b>					<b>600,000</b>			<b>700,000</b>		<b>700,000</b>
<b>28 NEW</b>	<b>Teacher Education and Certification - Teacher Recruitment Bonus</b>									
(540ME1X05)	Provide funds to support incentives for teacher recruitment. Focus will be on hard to fill geographic and subject matter areas.									
<b>General Fund</b>					1,000,000			2,000,000		
<b>Total</b>					<b>1,000,000</b>			<b>2,000,000</b>		
<b>29 NEW</b>	<b>Teacher Education and Certification - Teacher Recruitment</b>									
(540ME1X06)	Provide funds to support incentives for teacher recruitment (tuition waivers, loan forgiveness, signing bonuses, etc.).									
<b>General Fund</b>					250,000			250,000		
<b>Total</b>					<b>250,000</b>			<b>250,000</b>		
<b>30 NEW</b>	<b>Gifted &amp; Talented</b>									
(540MN2X01)	Provide funds to support additional funding for the Gifted and Talented Program which offers assistance to schools in providing various delivery options for students based on their abilities, needs, or interests.									
<b>General Fund</b>					500,000	500,000	500,000	500,000	500,000	500,000
<b>Total</b>					<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>31 NEW</b>	<b>Wage Equity Plan</b>									
(540MD01X01)	Provide funds to support salary improvement.									
<b>General Fund</b>								128,600	128,600	128,600
<b>Restricted Funds</b>					74,600	74,600	74,600	61,700	61,700	61,700
<b>Total</b>					<b>74,600</b>	<b>74,600</b>	<b>74,600</b>	<b>190,300</b>	<b>190,300</b>	<b>190,300</b>
<b>32 NEW</b>	<b>Professional Growth Fund</b>									
(540DGA01)	Provide funds to support the establishment of a Professional Growth Fund.									
<b>General Fund</b>					750,000		750,000	750,000		1,250,000
<b>Total</b>					<b>750,000</b>		<b>750,000</b>	<b>750,000</b>		<b>1,250,000</b>

**CONFERENCE BUDGET REPORT ANALYSIS**  
**2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY**

**Governmental Branch:** Executive Branch

**Agency:** Education

**Cabinet/Function:** Education

**Appropriation Unit:** Learning Support Services

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
<b>V. ADDITIONAL BUDGET ITEMS</b>										
<b>33 NEW</b>	<b>Stipend Increases for Supervisory Teachers</b>									
(540DGA02)	Provide funds to support stipend increases for supervisory teachers.									
<b>General Fund</b>					750,000		750,000	750,000		750,000
<b>Total</b>					<b>750,000</b>		<b>750,000</b>	<b>750,000</b>		<b>750,000</b>
<b>34 NEW</b>	<b>Statewide Teacher Recruitment</b>									
(540DGA04)	Provide funds to support a statewide multidimensional recruitment and information program to encourage persons to enter the teaching profession and to seek employment in Kentucky.									
<b>General Fund</b>										515,000
<b>Total</b>										<b>515,000</b>
<b>35 NEW</b>	<b>Professional Development Leadership &amp; Mentor Fund</b>									
(540DGA05)	Provide funds to support the Professional Development Leadership & Mentor Fund.									
<b>General Fund</b>										500,000
<b>Total</b>										<b>500,000</b>
<b>36 NEW</b>	<b>Center for Middle School Academic Achievement</b>									
(540DGA06)	Provide funds to support the Center for Middle School Academic Achievement.									
<b>General Fund</b>										400,000
<b>Total</b>										<b>400,000</b>
<b>TOTAL ADDITIONAL</b>		<b>865,400</b>	<b>865,400</b>	<b>865,400</b>	<b>15,551,800</b>	<b>8,891,000</b>	<b>12,551,800</b>	<b>18,674,500</b>	<b>8,631,800</b>	<b>18,174,500</b>



## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

#### **BRANCH BUDGET**

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$40,400 in FY 1999-2000 and \$600,000 in FY 2000-2001 is provided to support review/re-establishment of student performance standards.

Additional General Fund support totaling \$1,100,000 in FY 2000-2001 and \$1,100,000 in FY 2001-2002 is provided to replace funds transferred from the SEEK fund (Pupil Transportation) to support costs relating to the Commonwealth Accountability Testing System (CATS).

Additional General Fund support totaling \$245,000 in FY 2000-2001 and \$257,500 in FY 2001-2002 is provided for scoring of alternative portfolios of children with moderate and severe disabilities involved in community based curriculums.

Additional General Fund support totaling \$383,400 in FY 2000-2001 and \$393,000 in FY 2001-2002 is provided to train and assist local educational areas in compiling and reporting data for the School Report Card.

Additional General Fund support totaling \$325,000 in FY 1999-2000, \$800,000 in FY 2000-2001, and \$850,000 in FY 2001-2002 is provided to develop Longitudinal Assessments for low scoring students in reading and mathematics.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$400,000 in FY 2001-2002 is provided for validity research and documentation regarding the Commonwealth Accountability Testing System (CATS).

Additional General Fund support totaling \$500,000 in FY 1999-2000, \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided to operate the Kentucky Virtual High School.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided to increase the Minority Educator Recruitment and Retention Scholarship awards from \$5,000 to \$6,000.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 is provided for the Gifted and Talented Program.

Additional General Fund support totaling \$60,000 in FY 2000-2001 is provided to purchase a school bus for the Kentucky School for the Blind.

Additional General Fund support totaling \$78,000 in FY 2000-2001 and \$156,000 in FY 2001-2002 is provided for 3 PFT positions in FY 2000-2001 and 3 additional PFT positions in FY 2001-2002 for technical assistance at the Kentucky School for the Blind for the Statewide Educational Resource Center for the Blind.

Additional General Fund support totaling \$150,000 in FY 2000-2001 and \$150,000 in FY 2001-2002 is provided for 3 additional positions for academic reinforcement at the Kentucky School for the Deaf.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

Additional General Fund support totaling \$50,000 in FY 2000-2001 and \$35,000 in FY 2001-2002 is provided for the purchase of Braille textbooks for the Kentucky School for the Blind.

Additional General Fund support totaling \$270,000 in FY 2000-2001 and \$540,000 in FY 2001-2002 is provided to increase the stipends for teacher internship mentors by \$100 in FY 2000-2001 and an additional \$100 in FY 2001-2002 from the current stipend of \$1,000.

Additional General Fund support totaling \$900,000 in FY 2000-2001 and \$1,415,000 in FY 2001-2002 is provided to support personnel and operating expenses to establish the Education Professional Standards Board as an autonomous entity from the Kentucky Department of Education.

Additional General Fund support totaling \$700,000 in FY 2000-2001 and \$1,200,000 in FY 2001-2002 is provided for Kentucky teachers who pursue National Board Certification.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 is provided for core-subject assistance for teachers who are teaching out of their field of specialization.

Additional General Fund support totaling \$600,000 in FY 2000-2001 and \$700,000 in FY 2001-2002 is provided to strengthen of the evaluation process of teaching certificate renewals.

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 is provided to support teacher recruitment incentive bonuses for subject-matter and geographic areas.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 is provided to support various incentives for teacher recruitment, such as, tuition waivers, loan forgiveness, signing bonuses, etc.

Additional General Fund support totaling \$670,800 in FY 2000-2001 and \$697,700 in FY 2001-2002 is provided to support locally-operated area vocational schools in Christian County and Henderson County.

Additional General Fund support totaling \$3,850,000 in FY 2000-2001 and \$3,850,000 in FY 2001-2002 is provided to support comparative funding equalization for locally-operated secondary vocational area technology centers that is comparable to state-operated vocational programs offered by the Workforce Development Cabinet.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$116,500 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative Services savings are budgeted in the amount of \$20,000 in FY 2001-2002.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

The Branch Budget Bill, Part IX, Special Provisions, includes language provisions relating to School Rewards Trust Fund, Kentucky Education Technology System, and Education Professional Standards Board (EPSB) as follows:

- a. School Rewards Trust Fund: Distribution of rewards to local schools shall be based on policy established by the Kentucky Board of Education.
- b. Kentucky Education Technology System: The School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools.
- c. Education Professional Standards Board (EPSB): Notwithstanding any statute to the contrary, the EPSB may collect fees for the issuance of certifications. EPSB may charge the following fees at the corresponding amounts: issuance or reissuance (renewal) of regular certificate (to include all previously issued certifications and endorsements) - \$50; each transaction to add area(s) of certification or rank - \$50; issuance of five-year substitute certificate - \$15; issuance of duplicate certificate - \$25; reissuance of limited certification - \$35.

### **HOUSE REPORT**

The House concurs with the Branch Budget recommendation with the following changes:

Additional General Fund support totaling \$700,000 in FY 2001-2002 is provided to support the operating costs of Teacher Academies and stipends for teachers who attend.

Additional General Fund support totaling \$270,000 in FY 2000-2001 and \$540,000 in FY 2001-2002 is provided to increase stipends to teacher internship mentors by a total of \$200 in each fiscal year.

Additional General Fund support totaling \$750,000 in each fiscal year is provided to establish a Professional Growth Fund to enhance teacher quality.

Additional General Fund support totaling \$750,000 in each fiscal year is provided to increase stipends for supervisory teachers.

The House adds Part I, Operating Budget, language provisions that direct as follows: \$50,000 in each fiscal year to support a Community After School Program in local school district number 441 and \$50,000 in each fiscal year to support a Community After School Program in local school district number 365.

The House adds Part I, Operating Budget, language provisions that direct as follows:

The above General Fund appropriation includes \$40,000 in fiscal year 2000-2001 and \$40,000 in fiscal year 2001-2002 for the Kentucky Headstart Collaboration Project. These funds, as well as \$150,000 in Federal Funds in each fiscal year, shall be transferred to the Governor's Office of Early Childhood Development. The above General Fund appropriation includes \$3,850,000 in fiscal year 2000-2001 and \$3,850,000 in fiscal year 2001-2002 for technical education equalization. These funds shall not be expended prior to the development of specific criteria for equalization of funding for Level III programs offered by vocational/technical schools operated by local school districts and evaluation by the Workforce Development Cabinet of programs for which funding equalization is requested.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$74,600 in FY 2000-2001 and \$190,300 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, relating to Area Centers and Vocational Departments Funding Formula as follows:

d. Area Centers and Vocational Departments Funding Formula: All funds appropriated in the budget for supplementing the programs and operations of the area centers and vocational departments of the following districts shall be distributed by a weighted formula that is promulgated in an administrative regulation by the Kentucky Board of Education: Allen County, Ballard County, Bowling Green Independent, Boyd County, Carter County, Christian County, Covington Independent, Edmonson County, Fayette County, Fleming County, Franklin County, Grayson County, Henderson County, Lawrence County, Lewis County, Livingston County, Magoffin County, Marshall County, McCreary County, Newport Independent, Powell County, Simpson County, Trigg County, Union County, and Jefferson County shall be distributed by a weighted formula that is promulgated in an administrative regulation by the Kentucky Board of Education. The weighted formula shall take into consideration the different costs of programs based on requirements for facilities, materials, and equipment to meet program standards, the number of students enrolled, and the number of hours students are enrolled. If the funding formula results in a reduction of funds from the fiscal year 1999-2000 allocation for a center or department that has maintained the same number and category of programs and meets all other criteria, the center shall receive no less than 70% of its fiscal year 1999-2000 allocation.

This record reflects the adoption of House Committee Amendment #2, which adds additional General Fund support totaling \$750,000 in each year of the fiscal biennium 2000-2002 to the Learning Support Services within the Kentucky Department of Education for the establishment of a professional growth fund.

This record reflects the adoption of House Committee Amendment #2, which adds additional General Fund support totaling \$750,000 in each year of the fiscal biennium 2000-2002 to the Learning Support Services within the Kentucky Department of Education for the stipend increases for supervisory teachers.

### **SENATE REPORT**

The Senate concurs with the House with the following changes:

Additional General Fund support totaling \$700,000 in FY 2001-2002 for Teacher Academies and stipends for teachers who attend is not provided.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 for increased Minority Educator and Recruitment Scholarship awards is not provided.

Additional General Fund support totaling \$540,000 in FY 2000-2001 and \$1,080,000 in FY 2001-2002 for increased stipends to teacher internship mentors is not provided.

Additional General Fund support totaling \$670,800 in FY 2000-2001 and \$697,700 in FY 2001-2002 for operational costs of locally-operated Secondary Vocational Centers in Christian and Henderson Counties is not provided.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

Additional General Fund support totaling \$900,000 in FY 2000-2001 and \$1,415,000 in FY 2001-2002 for personnel and operating expenses to provide for the separation of the Education professional Standards Board (EPSB) from the Kentucky Department of Education is not provided.

Additional General Fund support totaling \$700,000 in FY 2000-2001 and \$1,200,000 in FY 2001-2002 to support teachers who pursue National Board Certification is not provided.

Additional General Fund support totaling \$600,000 in FY 2000-2001 and \$700,000 in FY 2001-2002 for a strengthened evaluation process for renewal of teaching licenses is not provided.

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 for incentives for teacher recruitment with emphasis on geographic and subject matter areas is not provided.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 for incentives for teacher recruitment (tuition waivers, loan forgiveness, signing bonuses, etc.) is not provided.

Additional General Fund support totaling \$750,000 in FY 2000-2001 and \$750,000 in FY 2001-2002 to establish a Professional Growth Fund is not provided.

Additional General Fund support totaling \$750,000 in FY 2000-2001 and \$750,000 in FY 2001-2002 to support stipend increases for supervisory teachers is not provided.

The Senate deletes Part I, Operating Budget, language provision relating to the prohibition of funds being expended prior to the development of specific criteria for equalization of funding for Level III programs offered by vocational/technical schools operated by local school districts.

The Senate deletes Part I, Operating Budget, language provision relating to funding support for Community After School Programs in local school districts 441 and 365.

### **CONFERENCE REPORT**

The Conference concurs with the House with the following changes:

Additional General Fund support totaling \$2,100,000 in FY 2001-2002 is provided to support the operating costs of Teacher Academies and stipends for teachers who attend.

Additional General Fund support totaling \$500,000 in FY 2000-2001 and \$500,000 in FY 2001-2002 for increased Minority Educator and Recruitment Scholarship awards is not provided.

Additional General Fund support totaling \$800,000 in FY 2000-2001 and \$1,000,000 in FY 2001-2002 is provided to support additional personnel and operating expenses for the Education Professional Standards Board within the Kentucky Department of Education.

Additional General Fund support totaling \$400,000 in FY 2000-2001 and \$800,000 in FY 2001-2002 is provided to support Kentucky teachers who pursue National Board Certification.

## **FB 2000-2002 BUDGET MODIFICATION REPORT**

### **Learning Support Services**

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 for core-subject assistance for teachers who are teaching out of their field of specialization is not provided.

Additional General Fund support totaling \$700,000 in FY 2001-2002 is provided to strengthen the evaluation process of teaching certificate renewals.

Additional General Fund support totaling \$1,000,000 in FY 2000-2001 and \$2,000,000 in FY 2001-2002 to support teacher recruitment incentive bonuses for subject-matter and geographic areas is not provided.

Additional General Fund support totaling \$250,000 in FY 2000-2001 and \$250,000 in FY 2001-2002 to support various incentives for teacher recruitment, such as, tuition waivers, loan forgiveness, signing bonuses, etc. is not provided.

Additional General Fund support totaling \$750,000 in FY 2000-2001 and \$1,250,000 in FY 2001-2002 is provided to establish a Professional Growth Fund to enhance teacher quality.

Additional General Fund support totaling \$515,000 in FY 2001-2002 is provided to support a statewide multidimensional recruitment and information program to encourage persons to enter the teaching profession and to seek employment in Kentucky.

Additional General Fund support totaling \$500,000 in FY 2001-2002 is provided to support the Professional Development Leadership and Mentor Fund.

Additional General Fund support totaling \$400,000 in FY 2001-2002 is provided to support the Center for Middle School Academic Achievement.

The Conference includes Part I, Operating Budget, language provision relating to the Professional Growth Fund and the Professional Development Leadership and Mentor Fund, that directs, the Commissioner of the Department of Education may transfer any available funds between the Professional Growth Fund and the Professional Development Leadership Mentor Fund as needed to satisfy the demand and need to support the respective teacher programs.

The Conference includes Part I, Operating Budget, language provision that directs, notwithstanding any statute or administrative regulation to the contrary, school district #255, school district #465, and school #105 in school district #275 shall be allowed to use their allocated Extended School Services program funds in a manner that will best meet the needs of their particular students.